Surplus Line Process Instructions

The Alabama Department of Insurance has developed an electronic application that will track surplus line information. This program uses the information ALDOI gathers from surplus line brokers and unauthorized insurers for tax collection and validation purposes. Surplus line brokers are required to submit four different pieces of information: ID-12s, Annual Tax Form Worksheet, Annual Tax Form Summary and Annual Tax Form (ID-15). Additional information on formatting and submitting these files can be found on our website, www.aldoi.gov under Online Services. Please refer to the on-line instructions titled “Formatting Data Files and Excel Spreadsheets for Surplus Line Program”. These instructions will show you how your spreadsheets should look and inform you as to what fields are required. Also on our website will be sample formatted spreadsheets for you to use instead of creating your own spreadsheets.

Certificate of Surplus Line Broker (ID-12)

Filing Requirements

In accordance with the Surplus Line Insurance Ala. Code §27-10 1 et seq. and Regulation No. 36, the Certificate of Surplus Line Broker (ID-12) shall be filed with the Commissioner within 30 days after the effective date of the insurance transaction. The Surplus Line Application will allow brokers to submit ID-12 information electronically into our system and to view ID-12 information already submitted. You have the on-line options of submitting single ID-12 information, importing a file consisting of an ID-12 spreadsheet, or e-mailing an ID-12 spreadsheet for assistance. For information and field requirements regarding formatting your spreadsheets, please refer to the on-line instructions titled “Formatting Data Files and Excel Spreadsheets for Surplus Line Program”.

Setting up Broker Account

Before you can begin submitting data to our online system, you will need to set up your broker account. To set up an account, go to our website, www.aldoi.gov, and select “Surplus Line Login” from the Online Services menu. When the “Surplus Line Broker Login” page loads, click the link at the bottom of the page that says “Click Here to Set Up Account”. When the “Register New Broker Account” page is displayed follow the instructions on that page.

Logging On to Use Surplus Line Program

Once you get to the “Surplus Line Broker Login” page from selecting “Surplus Line Login” from the Online Services menu on our website, you can go ahead and login if you have already set up your broker account. Enter your username (License Number) and password, then click Enter. If indeed you are a registered user, you will be taken to the “Surplus Line Broker Main Page”.

Surplus Line Broker Main Page

The Surplus Line Broker main page consists of the following options:

- **Submit ID-12** – Click on this button to submit ID-12 information for a single policy. Enter all policy information into the fields. Some fields are required before the information is accepted into our database (refer to the on-line instructions “Formatting Data Files and Excel Spreadsheets for Surplus Line Program” in the section titled ‘Required Fields and Formatting for Uploading Surplus Line Broker ID-12 Data to the Surplus Line System’). When you are finished entering information, click the **Submit Form** button located at the bottom of the screen. If errors or omissions exist, you will be informed so that corrections can be made and the information can be resubmitted. If information is accepted, the program will inform you that the information was submitted successfully and you will be given the option to print the information for your files.

- **<u>View Submitted ID-12</u> –** Click on this button to view ID-12 information that has been previously submitted to our system. You will be able to select the time period to view ID-12s submitted for the current and previous years.
- **<u>Information on Importing</u>** – Click on this button to receive instructions on how to import an ID-12 spreadsheet into our system.
- **<u>Import ID-12 File</u>** – Click on this button to import an ID-12 spreadsheet into our system. You will have to agree to the Import Certification Statement before starting. **Instructions are located under 'Information on Importing'.** Data is validated prior to being imported into our database. If any records contain an error, you will be alerted to the error and given the opportunity to correct the record so that it can be imported. Any records with errors that are not corrected will not be imported into our database.
- **<u>Import Annual Tax Worksheet File</u>** – Click on this button to import the annual policies spreadsheet into our system. Please refer to the on-line instructions titled "Formatting Data Files and Excel Spreadsheets for Surplus Line Program". These instructions will show you how your spreadsheet should look and inform you as to what fields are required. Data is validated prior to being imported into our database. If any records contain an error, you will be alerted to the error and given the opportunity to correct the record so that it can be imported. Any records with errors that are not corrected will not be imported into our database.
- **<u>Import Annual Tax Summary File</u>** – Click on this button to import the annual tax summary spreadsheet into our system. Data is validated prior to being imported into our database. If the record contains an error, you will be alerted to the error and given the opportunity to correct the record so that it can be imported. Any records with errors that are not corrected will not be imported into our database.
- **<u>Assistance with ID-12 File</u>** – If you are having a problem with importing the ID-12 spreadsheet on-line, click on this button to send an ID-12 spreadsheet via e-mail. Follow the instructions located on this page.
- **<u>List of Unauthorized Insurers</u>** – Click on this button to view a list of surplus lines insurers and their NAIC numbers. THE ALABAMA DEPARTMENT OF INSURANCE DOES NOT MAINTAIN A LIST OF APPROVED SURPLUS LINE INSURERS. THE SOLE PURPOSE OF THIS LIST IS TO FURNISH NAIC NUMBERS.
- **<u>Change Password</u>** – Click on this button to change your existing password.
- **<u>Home</u>** – Click here to go back to the home page.

<u>Annual Tax Form (Annual Tax Form Worksheet, Summary, and form ID-15)</u>

Filing Requirements

Each Surplus Line Broker shall, on or before the first day of March of each year, file with the Commissioner an annual tax form (consisting of the annual tax form worksheet, summary, and form ID-15) for all surplus line insurance transacted by him/her during the preceding calendar year. <u>The tax form ID-15 should be filed even if no business was transacted during the year</u>. Failure to file your tax report and submit payment by March 1 of each year could result in administrative charges being brought against you or the revocation of your insurance licenses and also interest penalties on your late payment. **Also, please note that the annual tax form worksheet, summary, and form ID-15 can be submitted monthly, quarterly, or annually but they must be submitted together. You must maintain the same time period submission for the entire year (i.e. If you decide to submit the forms monthly, then you must submit the forms every month for the rest of the year).**

Annual Tax Form Worksheet

The annual tax form worksheet is now required to be imported on-line in addition to the paper copy. **This file should contain one line per policy number, premiums should be reported as gross (no duplicates).** Again, please refer to the online instructions for formatting this spreadsheet or use the sample spreadsheet provided on the website.

****Important** Please note that the Annual Tax Form Worksheet and the ID-12s are two separate spreadsheets to be submitted. Though they contain similar data, they are NOT the same and submitting just one or submitting the same file twice does not qualify as submitting both required spreadsheets.**

Annual Tax Form Summary

The annual tax form summary is also required to be imported on-line with the annual tax form worksheet. **This file should contain one line after the column headings that consist of the total from the annual tax form worksheet**. Please refer to the online instructions for formatting this spreadsheet or use the sample spreadsheet provided on the website. The Annual Tax Form (ID-15) paper copy is still required to be mailed in too.

Premium Tax Rate

The Surplus Line Broker shall remit as a tax imposed for the privilege of transacting business as a Surplus Line Broker in this state, a tax of six percent (6%) on the direct premiums, **including any fees**, less return premiums and exclusive of sums collected to cover state or federal taxes, on surplus lines insurance subject to tax transacted by him/her during the preceding calendar year.

The annual tax form ID-15 and paper copies of the annual tax form worksheet and summary should be properly completed, signed by you, notarized, and submitted to the Compass Bank address listed below, along with remittance of any tax which is due.

POSTAL SERVICE
Alabama Department of Insurance
c/o Compass Bank
P.O. Box 830691
Birmingham, AL 35283-0691

COURIER OR EXPRESS SERVICE
Alabama Department of Insurance
c/o Compass Bank
701 South 32nd Street
Birmingham, AL 35233

ALL FILINGS WITH THE ALABAMA DEPARTMENT OF INSURANCE MUST BE MAILED BY THE U.S. POSTAL SERVICE OR COURIER. HAND DELIVERY IS NOT ACCEPTABLE.